

Department of Health and Social Services

Division of Medicaid & Medical Assistance (DMMA)

Andrew B. Wilson
Division Director

Joint Finance Committee Hearing Fiscal Year 2027 Budget

February 24, 2026



1

Accomplishments

- Progress Implementing 2024 Medicaid Rules from Centers for Medicare & Medicaid Services (CMS):
 - Medicaid Advisory Council and Beneficiary Advisory Committee
 - Data and Billing Systems
 - Electronic Visit Verification Certification
 - Critical Incidence Management System
- Reproductive Health Coverage under HBI 10



2

Accomplishments

- Historic low Payment Error Rate Measurement (PERM)
- Senate Bill 13 - Hospital Provider Tax



3

FY 2027 Governor’s Recommended Budget (\$ in Thousands)

	GF	ASF	NSF	Total
FTEs	100.2		105.3	205.5
Dollars (\$ in Thousands)	\$1,242,906.0	\$93,207.0	\$3,062,682.8	\$4,398,795.8



Budget Definitions:

- GF – General Funds
- ASF – Appropriated Special Funds, includes Tobacco Funds
- NSF – Non-Appropriated Special Funds
- FTEs – Full Time Equivalent Positions

4

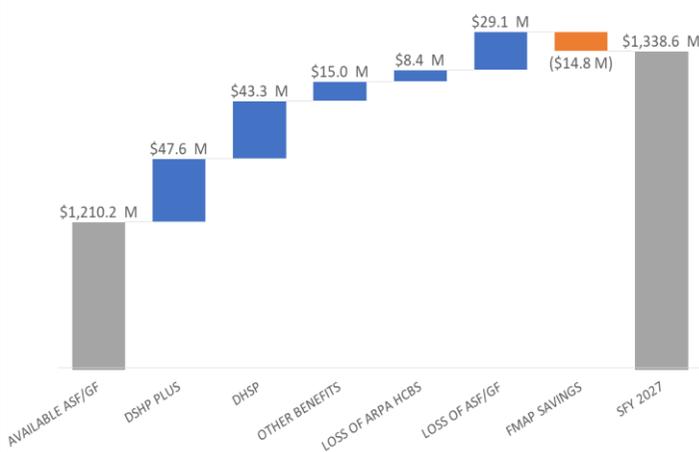
FY 2027 Governor’s Recommended Budget

- \$128.5 million dollars for Medicaid Benefits
- \$1.6 million dollars for Delaware Healthy Children Program
- \$1.3 million total dollars Switch-Funding from Tobacco Master Settlement to General Funds



5

Medicaid Cost Drivers



DMMA’s request for \$128.5 million General Funds (GF) is driven by the following:

- \$48 million – greater demand for long-term services and supports (DSHP Plus)
 - 11,000 members (5.8% of total) are largest cost driver
- \$43 million – due to modest cost increases for children and adults (DSHP)
 - 190,000 members (94.2% of total)
- \$15 million – other regular increases, including increased costs for Medicare enrollees, new biomarker coverage
- \$8 million – expiration of ARPA HCBS funding
- \$29 million – loss of prior-year carryover that was applied in FY 2026
- (\$15) million – savings due to higher federal matching rate



6

Looking Ahead

- H.R. 1 implementation:
 - Work requirements starting in 2027
 - Six-month renewals
 - Significant implementation uncertainty
 - Medicaid enrollment likely to drop, but acuity will rise
 - Ending eligibility for some legal immigrants



7

Looking Ahead

- 2026 Medicaid rule packages
- Pharmaceutical prices
- State-level initiatives to foster and support value-based payment expansion



8

**THANK
YOU**

